

What's in it for Employers?

- You make the hiring decision
- Hire Qualified Individuals
- Up to \$8,500 in potential tax credits per new hire
- Reduce your recruitment and training costs
- No restrictions on number of qualified hires
- Credits are applied to taxes due
- Unused tax credits may be carried over
- Minimal paperwork to claim the tax credit

Using tax credits is a good investment in your business and community. "A smart solution for business."

How do I get more information and the forms I need?

For more information and to print forms, visit the WOTC/WtW website:
<http://dwd.wisconsin.gov/dws/bjs/taxcredit>

For answers to questions, contact the WOTC/WtW specialist closest to your location. Visit this web site:
<http://dwd.wisconsin.gov/dws/bjs/taxcredit> and look under Contacts for "Local WOTC Staff Contact Lists".

For more inclusive details on laws and regulations governing the WOTC/WtW Program visit the U.S. Dept. of Labor website at: www.uses.doleta.gov/tax.asp

For WOTC IRS tax law questions, call 1-202-622-6080.



 **888/258-9966** (toll free)

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Send an e-mail message to: jobcenter@dwd.state.wi.us

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Your company could be eligible for up to \$8500 in tax credits.



Work Opportunity Tax Credit

Welfare-to-Work Tax Credit

What are the WOTC and Welfare-to-Work tax credits?

The Work Opportunity Tax Credit (WOTC) and Welfare-to-Work (WtW) programs are federal tax credits for employers, designed to encourage employers in the private sector to hire qualified job seekers who face barriers to gainful employment.

Target Groups

Many individuals in Wisconsin may be a member of a target group. Many of these individuals are seeking employment due to reforms in welfare laws. Individuals may qualify from these target groups:

- Recipients of Aid to Families with Dependent Children (AFDC) or Temporary Assistance for Needy Families (TANF)
- Veterans
- Ex-felons
- High-Risk Youth living in an Enterprise Community (EC)* or Renewal Community (RC)*
- Vocational Rehabilitation Clients
- Summer Youth living in an Enterprise Community (EC)* or Renewal Community (RC)*
- Food Stamp Recipients
- Supplemental Security Income (SSI) Recipients
- Long-term Welfare Recipients (AFDC or TANF)
- Ticket to Work program participants

*For information about EC/RC's, visit their website: <http://hud.esri.com/egis/> or call 1-800-998-9999

How much will I save?

The tax credit for hiring from all WOTC target groups is up to \$2,400 for each new hire:

- 40% of qualified first-year wages for those employed 400 hours or 10 weeks of full-time employment (maximum credit \$2,400);
- 25% for those employed at least 120 hrs (maximum credit \$1,500);
- Qualified wages are capped at \$6,000 except Summer Youth which is capped at \$3,000
- Maximum tax credit on Summer Youth employees is \$1,200.

The WtW tax credit for hiring long-term welfare recipients is as much as \$8,500 per new hire:

- 35% of qualified wages for the first year of employment (maximum credit \$3,500);
- 50% for the second year of employment (maximum credit \$5,000);
- Qualified wages — which include tax-exempt amounts received under accident and health plans as well as educational and dependant assistance programs — are capped at \$10,000 per year. New hires must be employed at least 400 hours or 180 days.

How do I get Certified?

This is an employer-friendly tax credit program involving three simple steps to complete:

1. Employer and employee must complete **Form 8850**, "Pre-screening Notice";
and,
2. Complete one of the following 1-page U.S. Dept. of Labor forms, as appropriate:
Form 9061, "Individual Characteristics Form," and attach supporting documentation, when the new hire has not been given a conditional certification (see below);
or,
Form 9062, "Conditional Certification Form," if completed and provided to the job seeker by a participating agency, such as Job Center staff (no documentation required);
and,
3. Mail the original completed forms, with any required documentation to:

Wis. Dept. of Workforce Development
Tax Credit Unit, Rm. E100
201 E. Washington Ave., PO Box 7972
Madison WI 53707

Forms must be mailed within **21 days** from the new hire's employment start date.

**It's that easy,
It's that simple.**